

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

March 16, 1999

FROM: **CHARLES R. JERVIS**, Director
County Medical Center

SUBJECT: AMENDMENT 4 TO LEASE AGREEMENT 93-1035 WITH GENERAL ELECTRIC
MEDICAL SYSTEMS

RECOMMENDATION: Approve Amendment 4 to Lease Agreement 93-1035 with General Electric Medical Systems for a computed tomography (CT) system (CT), radiographic and fluoroscopic (RF) system, and magnetic resonance imaging (MRI) system.

BACKGROUND INFORMATION: On October 26, 1993, the County approved a lease with General Electric Medical Systems for the above-mentioned equipment. The equipment was needed to replace some outmoded equipment and, in the case of the MRI, to replace a leased mobile unit. The equipment was installed and the leases begun between 1993 and 1995. The leases were for a five-year period and included service.

At the end of five years, The Medical Center has the option of buying the equipment at the then fair market value or turning back the equipment to General Electric Medical Systems. If the County terminates the lease prior to the term, it would be liable for the balance of the lease agreement at the time. At the time that the County entered into the lease, it was intended that this leased equipment would be the back-up equipment at the new Medical Center. Therefore, new prices were negotiated to upgrade and relocate the CT and RF rooms and provide a solution to our MRI system.

Thereafter, on March 24, 1998, the Board approved an amendment to the existing lease. However, the lease figures assumed that the Medical Center would move on October 20, 1998.

REASON FOR RECOMMENDATION: This lease amendment adjusts the lease amounts to reflect the new move date of March 30, 1999, and further upgrades the CT scanner to take advantage of new software and technology.

FINANCIAL IMPACT: Despite the upgrade to the CT scanner, the total lease payment decreased by \$1,537 per month over the March amendment.

REVIEW BY OTHERS: This lease agreement has been reviewed by County Counsel (Charles Larkin, Deputy County Counsel).

PRESENTER: Charles R. Jarvis, Director, County Medical Center.